

DECISION

**THE COMPTROLLER GENERAL
OF THE UNITED STATES**
WASHINGTON, D.C. 20548

J.2.I
3025**FILE:** B-214171**DATE:** January 22, 1985**MATTER OF:** Systematics General Corporation**DIGEST:**

1. Protester's unsupported assertion that its proposal was technically superior to awardee's proposal is not sufficient to show that contracting agency's determination that proposals were technically equal was unreasonable.
2. Contracting agency's cost realism analysis was reasonable where it examined all relevant costs by examining past cost performance, by using an independent government cost estimate, and by checking that labor and overhead rates had been verified previously by the cognizant Defense Contract Audit Service office.

Systematics General Corporation (Systematics General) protests the award of a cost-plus-fixed-fee contract to Semcor, under request for proposals DAAB07-83-Q-D406, issued by the Army Communications-Electronics Command (Army), Fort Monmouth, New Jersey. The requirement was for technical services, facilities and material for technical and program support of the World-Wide Military Command Control Systems.

We deny the protest.

The solicitation stated that proposals would be evaluated in three areas: technical, management/past performance, and cost. Technical and management were of equal importance and each individually was more important than cost. The solicitation also provided that cost proposals would be evaluated for cost realism.

The Army received three technically acceptable proposals. They were, in descending order of technical score: Semcor, Systematics General, and Analytic, Inc. Discussions were held with these offerors, and best and finals offers were received from them. Semcor's proposed cost was \$1,464,685, Analytic's was \$1,556,336, and

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Systematic General's was \$1,734,248. The Army determined that the three offers were essentially equal technically and awarded to Semcor due to its lower proposed cost.

Systematics General disputes the finding of technical equality and argues that its proposal was technically superior. Systematics General provides no evidence in support of this assertion. The protester also argues that the Army did not properly evaluate the realism of Semcor's proposed cost. Systematics General claims that the Independent Government Cost Estimate was ignored and that no cost audit was conducted.

We will question contracting officials' determinations concerning the technical merits of proposals only upon a clear showing that the determination is unreasonable. See, e.g., Computer Sciences Corporation, B-210800, Apr. 17, 1984, 84-1 C.P.D. ¶ 422. In light of Systematics General's failure to provide details or supporting evidence for its assertion that the proposals were not technically equal, we will not question the determination.


The conduct of a cost realism analysis is the function of the contracting agency, and we will not question such an analysis unless it clearly lacks a reasonable basis. Computer Sciences Corporation, B-210800, supra at p. 8. The extent to which proposed costs are examined is a matter of agency discretion. Support Systems Associates, Inc., B-200332, Feb. 9, 1982, 82-1 C.P.D. ¶ 112.

The record shows that the Army used an independent government cost estimate in analyzing cost realism. Also, each offeror's cost proposal was examined for the realism of the proposed costs of direct labor, engineering overhead, general and administrative expenses, and other costs. The proposed fee was also examined. The proposed labor and overhead rates had been verified previously by the cognizant Defense Contract Audit Service office. Further, the Army evaluated Semcor's past cost performance on similar contracts and found it to be acceptable.

We find the Army's cost realism analysis to have been reasonable. Systematics General's allegations in this regard appear to be no more than disagreement with the result of the procurement and are not supported by the record in this case.

Even where a solicitation provides that technical factors are more important than cost, it is proper to award to a lower cost offeror where technical proposals are essentially equal. Harrison Systems Ltd., 63 Comp. Gen. 379 (1984), 84-1 C.P.D. ¶ 572. That is precisely what occurred here.

Protest denied.

for 
Comptroller General
of the United States